

## Message Text

CONFIDENTIAL

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17

ACTION EB-07

INFO OCT-01 EA-07 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00

DOT-00 INR-07 NSAE-00 FAA-00 L-03 SS-15 NSC-05 FEA-01

/048 W

----- 105819

R 050617Z JAN 76

FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC 7192

INFO AMCONSUL MELBOURNE

C O N F I D E N T I A L CANBERRA 0039

EO 11652: GDS

TAGS: EAIR, ENRG, AS

SUBJ: CIVAIR -- AVIATION FUEL PRICING

REF: 75 STATE 301222, 75 CANBERRA 8538, 75 CANBERRA 8115,  
75 CANBERRA 8055

1. SUMMARY: EMBASSY'S SOUNDINGS RE AUSTRALIAN AVIATION FUEL PRICE SITUATION INDICATE THAT AS OF JANUARY 5 AMBIGUITY STILL RULES AND PAN AM COURT CHALLENGE STILL IN PROCESS. EMBASSY THEREFORE SUGGESTS SUBMISSION OF NOTE OUTLINED STATE 301222 BE DELAYED INDEFINITELY. END SUMMARY.

2. ACCORDING TO A.B. (SKY) MAGARY, PAN AM MANAGER FOR AUSTRALIA, FUEL PRICE SITUATION STILL UNCLEAR. HE SAID IT WAS HIS VIEW THAT NO INTERNATIONAL AIRLINE WAS PAYING (INTERNATIONAL PARITY PRICE" SUPPOSEDLY IN EFFECT FROM DECEMBER 1, 1975. WHILE WE BELIEVE THIS IS INCORRECT, AS WE HAVE BEEN TOLD THAT BRITISH AIRWAYS IS IN FACT PAYING NEW PRICE ON CONDITIONAL BASIS (CANBERRA 8115), MAGARY'S VIEW PARTLY BORNE OUT BY ARTICLE APPEARING IN AUSTRALIAN FINANCIAL REVIEW OF JANUARY 5 HEADLINED "AUSTRALIAN AVIATION FUEL CHAOS ANGERS AIRLINES". ARTICLE, AMONG OTHER THINGS, REPORTS THAT QANTAS IS REFUSING TO PAY HIGHER PRICE AND THAT QANTAS SPOKESMAN REFUSED EITHER TO CONFIRM OR DENY THIS ON GROUNDS POLICY NOT TO DIVULGE FUEL PRICES. MAGARY  
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ALSO SAID HE DID NOT EXPECT ACTION ON PANAM HIGH COURT WRIT

(CANBERRA 8055) UNTIL END OF JANUARY.

DEPARTMENT WILL RECALL THAT WRIT CHALLENGED FORMER DEPARTMENT OF MINERALS AND ENERGY (NOW DEPARTMENT OF NATIONAL RESOURCES) AUTHORITY TO ENFORCE WORLD "PARITY PRICE" BY MEANS OF EXPORT CONTROL DEVICE.

3. IN VIEW OF FACT THAT PAN AM AND OTHERS IN ONE WAY OR ANOTHER ARE DISPUTING GOA ENFORCEMENT OF "PARITY PRICE", WE WONDER IF IT WOULD NOT BE INAPPROPRIATE FOR U.S. GOVERNMENT IN AN OFFICIAL COMMUNICATION TO ACKNOWLEDGE, AS SUGGESTED IN STATE 301222, GOA'S RIGHT TO IMPOSE SUCH A PRICE. WE DO NOT DISAGREE WITH VIEW THAT THERE IS NO BASIS FOR CONTESTING AUSTRALIAN PRICE FIXING IN PRINCIPLE. HOWEVER, WE RECOMMEND U.S.G. MAKE NO COMMENT ONE WAY OR ANOTHER AT THIS POINT PENDING RESOLUTION OF PAN AM LITIGATION IN AUSTRALIAN COURT OR UNTIL THERE IS SOME INDICATION OF ACTUAL DISCRIMINATION AGAINST U.S. CARRIERS. AT PRESENT NEITHER THIS NOR OTHER ASPECTS OF SITUATION ALTOGETHER CLEAR, ALTHOUGH NEW GOVERNMENT UNDOUBTEDLY WILL BE FORCED TO FISH OR CUT BAIT SOON ON PRICE INCREASES INITIATED BY PREDECESSORS.

4. ACTION REQUESTED: THAT DEPARTMENT AUTHORIZE EMBASSY TO INDEFINITELY DELAY SUBMISSION OF NOTE OUTLINED STATE 301222.  
PERCIVAL

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AIRCRAFT, GASOLINE, PRICES  
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**Draft Date:** 05 JAN 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** SmithRJ  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
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**Reference:** 75 STATE 301222, 75 CANBERRA 8538, 75 CANBERRA 8115  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** SmithRJ  
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**Review Content Flags:**  
**Review Date:** 20 MAY 2004  
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**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CIVAIR -- AVIATION FUEL PRICING  
**TAGS:** EAIR, ENRG, AS, PAN AM  
**To:** STATE  
**Type:** TE  
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